



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1974

Introduced 2/26/2007, by Rep. Daniel J. Burke

SYNOPSIS AS INTRODUCED:

40 ILCS 5/6-127.5 new
30 ILCS 805/8.31 new

Amends the Chicago Firefighter Article of the Illinois Pension Code. Allows active firemen not in receipt of disability benefits who (i) have at least 23 years of creditable service, (ii) have attained age 50, and (iii) withdraw from service on or after the effective date to make an election, upon withdrawal from active service, at the time application for an age and service annuity under the Article is made, to receive a lump sum payment of the employee contributions credited to his or her account that correspond to a period not to exceed the 3 years immediately preceding withdrawal from service, plus an additional 2.26 times that amount representing the corresponding employer contributions made to the Fund, in exchange for an agreement to forfeit all service credit and any applicable benefits under the Act applicable to that service and same time period. Amends the State Mandates Act to require implementation without reimbursement. Effective immediately.

LRB095 09111 AMC 29304 b

FISCAL NOTE ACT
MAY APPLY

PENSION IMPACT
NOTE ACT MAY
APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by adding
5 Section 6-127.5 as follows:

6 (40 ILCS 5/6-127.5 new)

7 Sec. 6-127.5. One-time lump sum payment election.

8 (a) This Section applies only to active firemen not in
9 receipt of disability benefits who (i) have at least 23 years
10 of creditable service, and (ii) have attained age 50, and (iii)
11 withdraw from service on or after the effective date of this
12 Section.

13 (b) A qualifying fireman may make an election under this
14 Section, upon withdrawal from active service, at the time
15 application for an age and service annuity under this Article
16 is made, to receive a lump sum payment of the employee
17 contributions credited to his or her account that correspond to
18 a period not to exceed the 3 years immediately preceding
19 withdrawal from service, plus an additional 2.26 times that
20 amount representing the corresponding employer contributions
21 made to the Fund, in exchange for an agreement to forfeit all
22 service credit and any applicable benefits under this Act
23 applicable to that service and same time period. Members

1 electing to receive a lump sum distribution under this Section
2 may request that it be rolled over into other qualified plans.

3 (c) Service credit forfeited under this Section shall not
4 be included in the calculation of the fireman's age and service
5 annuity, nor used for any other purpose under this Act. The
6 monthly retirement annuity, as reduced by any such lump sum
7 distribution under this Section, shall constitute the
8 originally granted annuity amount for all purposes of this Act.
9 Any agreement to reduce total service credit for annuity
10 calculation purposes shall not reduce career service for any
11 purpose used by the City of Chicago. A lump sum distribution
12 election under this Section is not considered a refund of
13 contribution as defined for other purposes in this Article.

14 (d) Election of the lump sum payment distribution under
15 this Section becomes irrevocable upon receipt of the lump sum
16 payment.

17 Section 90. The State Mandates Act is amended by adding
18 Section 8.31 as follows:

19 (30 ILCS 805/8.31 new)

20 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8
21 of this Act, no reimbursement by the State is required for the
22 implementation of any mandate created by this amendatory Act of
23 the 95th General Assembly.

24 Section 99. Effective date. This Act takes effect upon

1 becoming law.